

§2723. Interest, Penalty, Fee, or Other Charge

A. The right of an insurer to impose or levy any interest, penalty, fee or other charge is hereby suspended until the present State of Emergency, or any subsequent State of Emergency, related to Hurricane Katrina or its aftermath has been lifted by Governor Kathleen Babineaux Blanco.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

§2725. Exemption from Compliance

A. Notwithstanding any other provision contained herein, the commissioner may exempt any insurer from compliance with Emergency Rule 15 upon the written request by the insurer if the commissioner determines that compliance with Emergency Rule 15 may be reasonably expected to result in said insurer being subject to undue hardship, impairment, or insolvency.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

§2727. Purpose

A. The provisions of Emergency Rule 15 shall be liberally construed to effectuate the intent and purposes expressed herein and to afford maximum consumer protection for the insureds of Louisiana.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

§2729. Penalty for Violation

A. The commissioner retains the sole authority to enforce violations of Emergency Rule 15. Accordingly, any insurer enumerated in Emergency Rule 15 or other entity doing business in Louisiana and/or regulated by the commissioner who violates any provision of Emergency Rule 15 shall be subject to prosecution by the commissioner under any applicable provisions of the Louisiana Insurance Code, including the provisions of the R.S. 22:250.41, et seq., 22:1211, et seq., and specifically including, but not limited to, R.S. 22:1214(7), (12) and (14). Additionally, the penalty provisions set forth in R.S. 22:1217 shall be applicable. These provisions include penalties of \$1,000 for each separate act, or \$25,000 for each separate act if the violator knew or reasonably should have known he was in violation of Emergency Rule 15, as well as a cease and desist order and the imposition of other penalties and suspension or revocation of the license. Additionally, R.S. 22:1220, which, among other things, imposes the obligation of good faith and fair dealing shall also be subject to the sole enforcement authority of the commissioner. This law sets forth penalties and exemplary damages which shall be enforceable by the commissioner for any violation of Emergency Rule 15. Finally, the commissioner reserves the sole right to make the determination regarding whether any violator shall be subject to any and all other applicable civil and criminal sanctions for violations of Emergency Rule 15.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

§2731. Rule Amendment

A. The commissioner reserves the right to amend, modify, alter or rescind all or any portions of Emergency Rule 15.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

§2732. Severability Clause

A. If any section or provision of Emergency Rule that is held invalid, such invalidity or determination shall not affect other sections or provisions, or the application of Emergency Rule 15, to any persons or circumstances that can be given effect without the invalid sections or provisions and the application to any person or circumstance shall be severable.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

§2733. Effective Date

A. Emergency Rule 15 shall become effective at 12:01 a.m. on August 26, 2005 and shall continue in full force and effect for the duration of the present State of Emergency proclaimed by Governor Kathleen Babineaux Blanco, or any subsequent State of Emergency proclamation made thereafter.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

J. Robert Wooley
Commissioner

0510#009

DECLARATION OF EMERGENCY

Department of Insurance Office of the Commissioner

Rule 16C Registration of Public Insurance Adjusters
Actively Engaged in the Settlement of Claims and Damages
Resulting from Hurricane Katrina (LAC 37:XI.Chapter 29)

Emergency Rule 16 is issued pursuant to the plenary authority of the Commissioner of Insurance for the state of Louisiana, including, but not limited to, the following: Proclamation No. 48 KBB 2005 issued on August 26, 2005 by Governor Kathleen Babineaux Blanco declaring a State of Emergency; Executive Order No. KBB 2005 - 40 issued September 19, 2005 by Governor Kathleen Babineaux Blanco transferring authority over any and all insurance matters to Commissioner of Insurance J. Robert Wooley (commissioner); R.S. 29:724; R.S. 29:766; R.S. 22:2; R.S. 22:3; R.S. 22:1214.(7), (12) and (14); R.S. 49:950 et seq.

On August 26, 2005, Governor Kathleen Babineaux Blanco declared a State of Emergency within the state of Louisiana in response to the expected landfall of Hurricane Katrina. As a result of the hurricane's landfall, Hurricane

Katrina caused extensive power outages and massive flooding that destroyed many homes and impacted the livelihood of the citizens of Louisiana.

Because of the catastrophic and devastating effects of the hurricane, the Louisiana Department of Insurance (LDOI) is issuing Emergency Rule 16 in regards to the settlement and business practices of insurance adjusters in the state of Louisiana. In an effort to protect the public interest and welfare of citizens of this state, all public adjusters operating in this state are to register with the LDOI.

Any and all persons having questions or the need for any additional information should contact the Louisiana Department of Insurance at (225) 342-5900 or (800) 259-5300.

Title 37
INSURANCE
Part XI. Rules

Chapter 29. Registration of Public Insurance Adjusters Actively Engaged in the Settlement of Claims and Damages Resulting from Hurricane Katrina

§2901. Application

A. Emergency Rule 16 is applicable to all public adjusters, as defined in R.S. 22:1476(A).

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

§2903. Electronic Registration

A. All public adjusters shall register with the LDOI pursuant to an electronic registration form that has been developed and is available by using the direct link set forth herein below. The form is also on the LDOI's Web site and may be printed, if necessary. Persons may fax a completed form to the LDOI at (225) 219-9322 or they may walk in and complete the form here at the LDOI. No notice will be sent out advising that the registration has been received, as that information can be accessed using the company search option on the LDOI's Web site at www.lidi.state.la.us.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

§2905. Claim Adjustor

A. In the settlement of claims for losses and damages, public adjusters shall comply with the following prohibitions.

1. Any contracts or arrangements made between insured persons and public adjusters are against public policy and are null and void if the adjuster's fee is contingent upon or calculated as a percentage of the amount of any claims paid to or paid on behalf of the insured persons, in compliance with the requirements of R.S. 22:1476.B.

2. Insurance companies shall not pay affiliated adjusters any fee or compensation in excess of a regular fixed salary or stipend. An insurer cannot contract to pay an adjuster a percentage of costs saved to the insurer through efforts of the adjuster, as per the requirements of R.S. 22:1453.A.

B. All insurance companies shall provide to the LDOI, in writing, the names and social security numbers of those adjusters who will be actively engaged in the settlement of losses and damages resulting from this catastrophe.

C. In compliance with the requirements of R.S. 22:1220, all public adjusters, as well as all insurance companies, owe a duty of good faith and fair dealing to insured persons in the state of Louisiana. Therefore, failure to comply with Emergency Rule 16 will be considered a violation of the Louisiana Insurance Code and administrative action will be taken by the LDOI and/or any appropriate law enforcement agency.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

§2907. General Provisions

A. Every insurer shall distribute copies of Emergency Rule 16 to every person or entity directly responsible for the handling and settlement of claims in conjunction herewith.

B. The provisions of Emergency Rule 16 shall be liberally construed to effectuate the intent and purposes expressed herein and to afford maximum consumer protection for the insureds of Louisiana.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

§2909. Rule Amendment

A. The commissioner reserves the right to amend, modify, alter or rescind all or any portions of Emergency Rule 16.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

§2911. Severability Clause

A. If any section or provision of Emergency Rule 16 that is held invalid, such invalidity or determination shall not affect other sections or provisions, or the application of Emergency Rule 16, to any persons or circumstances that can be given effect without the invalid sections or provisions and the application to any person or circumstance shall be severable.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 32:

§2913. Effective Date

A. Emergency Rule 16 shall become effective at 12:01 a.m. on August 26, 2005 and shall continue in full force and effect for the duration of the present State of Emergency proclaimed by Governor Kathleen Babineaux Blanco, or any subsequent State of Emergency proclamation made thereafter by the Governor with regard to Hurricane Katrina or its aftermath.

AUTHORITY NOTE: Promulgated in accordance with Executive Order KBB 05-48, R.S. 29:724, R.S. 29:766, R.S. 22:2, R.S. 22:3, R.S. 22:1214.(7), (12) and (14), R.S. 49:950 et seq.

J. Robert Wooley
Commissioner

0510#010

DECLARATION OF EMERGENCY

Department of Insurance Office of the Commissioner

Rule 17C Suspension of Certain Statutes and Regulations
Regarding Health Insurance and Related Provisions
Regarding Any and All Health Insurance Matters Affecting
Insureds in Louisiana Caused by Hurricane Katrina
(LAC 37:XI.Chapter 31)

Emergency Rule 17 is issued pursuant to the plenary authority of the Commissioner of Insurance for the state of Louisiana, including, but not limited to, the following: Proclamation No. 48 KBB 2005 issued on August 26, 2005 by Governor Kathleen Babineaux Blanco declaring a State of Emergency; Executive Order No. KBB 2005 - 40 issued September 19, 2005 by Governor Kathleen Babineaux Blanco transferring authority over any and all insurance matters to Commissioner of Insurance J. Robert Wooley (commissioner); R.S. 29:724; R.S. 29:766; R.S. 22:2; R.S. 22:3; R.S. 22:1214.(7), (12) and (14); R.S. 49:950 et seq.

On August 26, 2005, Governor Kathleen Babineaux Blanco declared a State of Emergency within the state of Louisiana in response to the expected landfall of Hurricane Katrina. As a result of the hurricane's landfall, Hurricane Katrina caused extensive power outages and massive flooding that destroyed many homes and impacted the livelihood of the citizens of Louisiana.

Thousands of Louisiana citizens have suffered damages due to Hurricane Katrina. In some places, it could be months before electricity is restored. The homes of many Louisiana citizens were destroyed precluding habitation and the delivery of mail. This disruption has affected the ability of these citizens to pay their insurance premiums, access their insurance policies, and communicate with insurance agents and their respective insurance companies for insurance-related matters. Hurricane Katrina has created a mass disruption to the normalcy previously enjoyed by Louisianians and produced an immediate threat to the public health, safety, and welfare of Louisiana citizens.

The Commissioner will be hindered in the proper performance of his duties and responsibilities regarding this State of Emergency without the authority to suspend certain statutes in the Louisiana Insurance Code and the rules and regulations that implement the Louisiana Insurance Code including, but not limited to, cancellation, nonrenewal, reinstatement, premium payment and claim filings with regard to any and all types of health insurance subject to the Louisiana Insurance Code.

In light of this, I hereby issue Emergency Rule 17 to any and all health insurance issuers, Health Maintenance Organizations (hereinafter HMOs), Preferred Provider Organizations (hereinafter PPOs), Managed Care

Organizations (hereinafter MCOs), Third Party Administrators (TPAs) and any other health insurance entities doing business in Louisiana and/or regulated by the Commissioner pursuant to the Louisiana Insurance Code regarding any and all types of health insurance, including, but not limited to, group and individual health and accident insurance, limited benefit insurance, Medicare supplement insurance, Medicare select insurance, HMOs, PPOs, MCOs, excess loss insurance, stop loss insurance, disability income insurance, short-term health insurance, long-term care insurance, and any and all other types of health insurance regulated by the Louisiana Insurance Code.

Emergency Rule 17 is applicable to insureds, as defined in §3101, from the following seven primary parishes: Jefferson, Orleans, Plaquemines, St. Bernard, St. Tammany, Tangipahoa, and Washington. Emergency Rule 17 is also applicable to insureds, as defined in §3101, from the following seven secondary parishes: Lafourche, Livingston, St. Charles, St. James, St. John the Baptist, St. Mary and Terrebonne. The zip codes applicable to these seven primary parishes include, but may not be limited to, the list identified as "Hurricane Katrina Seven Primary Parish Zip Code List" found on the official Louisiana Department of Insurance Web site at www.lds.state.la.us. The zip codes applicable to the seven secondary parishes include, but may not be limited to, the list identified as "Hurricane Katrina Seven Secondary Parish Zip Code List" found on the official Louisiana Department of Insurance Web site at www.lds.state.la.us. Insureds shall include, but not be limited to, any and all policyholders, members, subscribers and certificate holders.

In the ordinary course of business, health insurance issuers, HMOs, PPOs, MCOs, TPAs and any and all other health insurance entities doing business in Louisiana and/or regulated by the commissioner pursuant to the Louisiana Insurance Code regarding any and all types of health insurance, including, but not limited to, group and individual health and accident insurance, limited benefit insurance, Medicare supplement insurance, Medicare select insurance, HMOs, PPOs, MCOs, excess loss insurance, stop loss insurance, disability insurance, short-term care insurance, long-term care insurance and any and all other health insurance regulated by the Louisiana Insurance Code, are subject to certain requirements with regard to health insurance matters affecting insured citizens in Louisiana. Hurricane Katrina has produced a disruption in the health insurance industry. Thus, many of the insureds in the seven parishes referenced above are currently unable to timely act or respond to their health insurance needs. Additionally, some insureds with policies in force on August 26, 2005, who wish to make timely premium payments, are also prevented from making such payment because of the aforementioned circumstances. This could result in an insured being without coverage and/or potentially uninsured. Emergency Rule 17 provides emergency relief to the insureds of Louisiana affected by Hurricane Katrina and its aftermath so that these insureds will be insured and their coverage will continue under those policies that were in effect as of 12:01 a.m. on August 26, 2005.